

July 6, 2018

To All Concerned Parties,

Company: Asahi Intecc Co., Ltd.  
Representative: Masahiko Miyata, President & CEO  
(Securities code: 7747, Second section of Tokyo Stock Exchange  
and Nagoya Stock Exchange)  
Contact:  
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**Notice regarding the acquisition of shares of RetroVascular, Inc. by a wholly owned subsidiary of Asahi Intecc (sub-subsidiary company)**

Asahi Intecc Group announces that its Board of Directors' meeting held on July 6, 2018 passed a resolution that ASAHI INTECC USA, INC., a 100% subsidiary of Asahi Intecc, acquire shares of RetroVascular, Inc. and make RetroVascular its subsidiary (sub-subsidiary of Asahi Intecc), as set forth below.

1. Reason for the acquisition of shares

RetroVascular, Inc. (hereinafter, "Retro") is a R&D-type company in the United States which has been promoting research and development related to new treatment methods in the PTCA treatment (Note 1) and new medical devices suitable to such treatment methods through cooperation with physicians. Retro and Asahi Intecc Group have been maintaining collaborative relationship in the development used for PTCA treatment products.

In recent years, Retro has been also working on the development of plasma energy technology using electrical energy aiming at further improvement of treatment results in the PTCA treatment and is in the process of establishing the basic technology.

Through fusion of Retro's plasma energy technology with technologies owned by Asahi Intecc Group, it is possible to realize innovative medical devices leading to the improvement of treatment results in the CTO (Note 2) area in the future. In addition, the realization would make it possible to contribute to the acceleration of shift to PTCA treatment from surgery in the CTO area. Further, these technologies are expected to be used in wide areas not limited to cardiovascular system areas but also to occlusion of the peripheral vascular system areas.

Moreover, in addition to these technological factors, Asahi Intecc Group believes that it is possible to use Retro as the base for gathering and surveying most-advanced information because the company is based on the Silicon Valley in the State of California, US, which is the center of cutting-edge and advanced medical device innovation in the world. Therefore, Asahi Intecc has adopted a resolution to acquire Retro's shares in view of these multiple effectiveness.

By making Retro a company of Asahi Intecc Group through the acquisition of its shares, fusion of both companies' technologies will be evolved and developed further, which would promote the enhancement of technological foundation of Asahi Intecc Group as a R&D-type company, leading to further improvement of the corporate value.

(Note 1) PTCA treatment: It is one of the treatment methods for diseases such as angina pectoris and myocardial infarctions that are caused by the heart's blood vessels (coronary arteries) becoming clogged or narrowed by cholesterol. Narrow tubes called catheters are inserted in blood vessels from the wrist or from the base of the foot to widen narrowed blood vessels.

(Note 2) CTO: CTO (chronic total occlusion): It is a disease where a blood vessel has been completely clogged for a long period of time. Such disease was traditionally an area of surgery (bypass surgery), however, Asahi Intecc succeeded

in the development of PTCA guide wire which can be used also for CTO. CTO has now become the main method of PTCA treatment (minimally-invasive treatment in the cardiovascular system) in Japan.

## 2. Summary of acquisition of shares

### (1) Overview of the company (RetroVascular, Inc.) to be changed

(1)	Company name	RetroVascular, Inc.		
(2)	Location	5976 W. Las Positas Blvd. Suite 120, Pleasanton, California 94588, U.S.A.		
(3)	Title and name of representative	President & CEO Wayne Ogata		
(4)	Description of business	Life science development		
(5)	Capital (Including additional paid in capital)	Common stock	127 thousand US dollars (14 million yen)	
		Series A preferred stock	499 thousand US dollars (54 million yen)	
		Series B preferred stock	2,050 thousand US dollars (225 million yen)	
		Total	2,677 thousand US dollars (294 million yen)	
(6)	Date of establishment	March 27, 2006		
(7)	Major shareholders and their shareholding ratios	Osamu Katoh 29.92% Wayne Ogata 26.77% Asahi Intecc Co., Ltd. 17.87% Synergy Ventures II LP 9.37% Others eleven persons 16.07%		
(8)	Relationship between the listed company and the relevant company	Capital relationship	Asahi Intecc has 17.87% share of Retro.	
		Personal relationship	One director of Asahi Intecc serves as director of Retro	
		Business relationship	Asahi Intecc pays the royalty in the development of catheters and others.	
(9) Recent results of operations and financial condition of the relevant company (non-consolidated)				
	Fiscal year	Dec. 2015	Dec. 2016	Dec. 2017
	Net assets	613 thousand US dollars (67 million yen)	380 thousand US dollars (41 million yen)	1,847 thousand US dollars (203 million yen)
	Total assets	713 thousand US dollars (78 million yen)	1,552 thousand US dollars (170 million yen)	2,871 thousand US dollars (315 million yen)
	Net asset per share	0.06 US dollars (6.26 yen)	-0.06 US dollars (-6.46 yen)	-0.35 US dollars (-38.15 yen)
	Net sales	1,489 thousand US dollars (163 million yen)	1,554 thousand US dollars (171 million yen)	1,901 thousand US dollars (209 million yen)
	Operating income	1 thousand US dollars (0 million yen)	-233 thousand US dollars (-25 million yen)	-558 thousand US dollars (-61 million yen)
	Ordinary Income	-3 thousand US dollars (-0 million yen)	-237 thousand US dollars (-26 million yen)	-583 thousand US dollars (-64 million yen)
	Net income	-3 thousand US dollars (-0 million yen)	-237 thousand US dollars (-26 million yen)	-583 thousand US dollars (-64 million yen)
	Net income per share	-0.00 US dollars (-0.17 yen)	-0.12 US dollars (-12.89 yen)	-0.29 US dollars (-31.69 yen)
	Dividend per share	- (-)	- (-)	- (-)

\* Based on the exchange rate of 1.00 US dollars to 110 yen

(2) Overview of the company selling shares

(1)	Name and address	Osamu Katoh, Nagoya-shi, Aichi-ken
(2)	Relationship between the listed company and the relevant individual	Asahi Intecc pays the royalty to him.

(1)	Name and address	Wayne Ogata, San Ramon, CA, USA
(2)	Relationship between the listed company and the relevant individual	There is no capital, personal and business relationship that should be disclosed.

(1)	Company name	Synergy Ventures II LP	
(2)	Location	Menlo Park, CA	
(3)	Grounds for the establishment, etc.	Limited partnership based on the laws of the State of Delaware	
(4)	Purpose of formation	Investment to private medical device companies in the United States	
(5)	Formation date	March 9, 2006	
(6)	Total amount of capital investment	15,300 thousand US dollars	
(7)	Investors, their investment ratios and overview of the investors	Non-disclosure upon request from the investors	
(8)	Overview of operating partners	Company name	Synergy Ventures Advisors II, LLC
		Location	545 Middlefield Road, Suite 205 Menlo Park, CA 94025
		Title and name of representative	Managing Director Allan Johnston
		Description of business	Equity investment
(9)	Overview of domestic representative	Company name	There is no applicable information.
		Location	
		Title and name of representative	
		Description of business	
		Capital	
(10)	Relationship between the listed company and the relevant fund	Relationship between the listed company and the relevant fund	There is no capital, personal and business relationship that should be disclosed.
		Relationship between the listed company and operating partners	There is no capital, personal and business relationship that should be disclosed.

		Relationship between the listed company and the domestic representative	There is no capital, personal and business relationship that should be disclosed.
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\* In addition to the above, Asahi Intecc plans to acquire its shares from ten persons including companies and individuals. There is no capital, personal and business relationship with the relevant companies and individuals that should be disclosed.

(3) Number of shares to be acquired, acquisition price and share ownership before and after acquisition

(1)	Number of shares held before change	567,500 shares (Number of voting rights: 567,500) (Percentage of voting rights held: 17.87%)
(2)	Shares to be acquired	2,587,916 shares (Number of voting rights: 2,587,916)
(3)	Acquisition price	Common stock of RetroVascular, Inc. 22,154 thousand US dollars (2,436 million yen) Preferred stock of RetroVascular, Inc. 3,725 thousand US dollars (409 million yen) Total (estimated amount) 25,879 thousand US dollars (2,846 million yen)
(4)	Number of shares after change	3,155,416 shares (Number of voting rights: 3,155,416) (Percentage of voting rights held: 99.4% )

\* Based on the exchange rate of 1.00 US dollars to 110 yen

(4) Time line of share acquisition

(1)	Resolution at Board of Directors' meeting	July 6, 2018
(2)	Execution of share transfer	July 6, 2018

### 3. Future prospects

The impact of the share acquisition of this time on operating results for the fiscal year ending June 2019 is currently under scrutiny. Accordingly, the business performance forecast for the fiscal year ending June 2019 is scheduled to be announced separately.

(Reference) Forecast of consolidated business performance for the fiscal year ending June 2018 (announced on August 10, 2017) and consolidated actual business performance for the fiscal year ended June 2017

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Net income attributable to owners of the parent
Consolidated forecast for the current fiscal year (FYE June 2018)	47,426 million yen	12,135 million yen	12,170 million yen	8,599 million yen
Consolidated actual business performance for the previous fiscal year (FYE June 2017)	42,709 million yen	10,795 million yen	10,941 million yen	7,725 million yen